Regent Tom Zuckerman welcomed and thanked the attendees led self-introductions around the table. He gave a brief update of on-going processes including the Delta Vision planning process, the BDCP, and the DRMS project. He repeated the three components of flood plain addressed by the Dialog: the State flood plan; funding; and governance. He noted that the issues and concerns raised in the Dialog process are being incorporated into proposed legislation.

Margit Aramburu, Director, Natural Resources Institute, welcomed the group and asked that comments regarding the draft notes of the January 2007 meeting be forwarded to her for revision. At the request of Linda Fiack, Executive Director, she announced that the Delta Protection Commission has been working with the five Delta counties to develop regional emergency response and noted that more information and a new white paper are available on the DPC web site (www.dpc.ca.gov).

**Discussion of DWR’s Proposed Budget for Levee Bond Funds:**

Dr. Les Harder, Deputy Director for Public Safety and Business Operations for the Department of Water Resources (DWR), reviewed DWR’s proposed bond expenditure plan. He noted the philosophy is to set aside some funds for early implementation ($200 million out of $700 million total). He said there is a $3 billion target for project levees states wide (rural and urban and to reduce risk in the Delta). He suggested that one billion dollars next fiscal year would be for urban levees, and $300 thousand to restore rural levees to original design. He noted there are ongoing discussions regarding areas of overlap such as urban levees may be project and/or nonproject levees and that some urban levees are in the Legal Delta.

Mr. Zuckerman noted that the CALFED Levee Report had estimated 600 million to one billion dollars to upgrade about 500 miles of Delta levees, depending on the source and cost of fill material; Dr. Harder responded that to be earthquake resistant, levees would have to be rebuilt or made substantially more robust. He said that fill material could be on-island, or imported and current estimates are $30-90 million per mile of NEW levees, and $8 - $18 to enhance the existing levees. He said along Bear River, recent costs were $15-20 million per mile for new levees with a local source of fill material and a good base for the levees.

Mr. Hartmann noted that in 1982, upgrading the 15 miles of levees on McDonald Island to “super levees” with inland berms had cost less than one million dollars per mile. Mr. Zuckerman added that PG&E had analyzed the most cost effective way to protect its facilities on McDonald Island and enhancing the levees was the most effective.
Ms Aramburu noted that comments had been submitted requesting study of reservoir operations to result in better use of flexibility and the possibility of increasing temporary storage of floodwaters within State and federal wildlife refuges.

Mr. Troppmann asked how flood planning would integrate with regional water management plans; Dr. Harder said the Integrated Regional Water Management Plans would include a flood element, and that the State would prepare the Plan of Flood Control. He said it would be difficult to mesh the two types of plans.

Mr. Zuckerman suggested first determining the location for flood control facilities and then matching those with opportunities for increased water supply such as groundwater recharge and seasonal water supplies.

Mr. Shelton expressed concern that re-operation of reservoirs would not affect high flows; Mr. Nomellini disagreed based on the 97 flood experience.

Mr. Nomellini suggested the spending proposals should incorporate more flexibility in cost shares, and that funding should be made available for non-project levees protecting urban populations, as well as for project levees.

Mr. Guillen noted that the San Joaquin River reservoirs were designed and built to capture snowmelt runoff in May and June, not for winter rain runoff.

Dr. Harder said there are 14,000 miles of levees statewide and the State cannot afford to fix them all, and that the State has a direct responsibility for the project levees. He said there are 1,600 miles of project levees and about 300 to 350 of those are protecting urban populations (urban is currently defined as populations over 10,000). He said the State’s priority has to be public safety.

Mr. Zuckerman said the monies set aside for Delta levees can go a long way, but the expenditure needs to be deliberate. Mr. Hartmann added that local RDs can do levee work at a much smaller cost that federal agency levee work. Mr. Nomellini noted that for RD 17, a local-State-federal project, the locals were required to pay their share in advance, there has been no accounting, and no project finalization. He said federal oversight is good for large projects with lots of federal funding. Ms Aramburu noted that permitting costs are a large part of levee maintenance expenses. Dr. Harder noted that the 2006 repairs were $5-6,000 per foot just for riprap (~$26.5 million per mile).

Mr. Nomellini noted the need for emergency response. He suggested stretching the funds by upgrading by addressing toe berms and drains to address underseepage if an identified risk factor. Mr. Hartmann identified the need for regulatory clarity associated with levee maintenance work.

Mr. Cammarato asked about the cost per mile of upgrading urban levees; Dr. Harder said preliminary estimates are ~$4.5 billion to bring the six existing urban areas to 200 year
level of protection; about half would be spent for the Sacramento area. A chart is being prepared for an update of DWR’s white paper.

Mr. Nomellini suggested including funding for regional mitigation. Mr. Shelton said in most big projects, US Fish and Wildlife and Department of Fish and Game are partners and their participation and support of multi-purpose projects lowers costs. Mr. Nomellini responded that there are no issues with CEQA, but mitigation should be identified “up front” and be implemented in an integrated fashion.

**Presentation on and Discussion of Multi-Party Discussion of Proposed Budget for Levee Bond Funds:**

Mr. Nomellini described discussions between representatives of San Joaquin County, SAFCA, and Central Valley Flood Control Agency met to discuss the bond funds. All parties recognized the need to work together and develop and approach that would benefit the broadest number of citizens and regions of the State to ensure continued support for bond funds for flood projects. The San Joaquin County concept is to allocate a portion of the bond funds 2/3’s for urban areas and 1/3 for non-urban areas on a per mile basis. One goal is to commit the funds quickly and then seek more; some of the current bond funds will be to prepare plans for a next round of funding. Funds should be designated for emergency response. One issue is where money would go with the understanding that SAFCA needs a lot of funding; one suggestion is to define levee geometry (slopes and 20 foot wide crown) and not higher protection for underseepage. Another issue is how to protect small communities; one suggestion is to provide ring levees, and not to encourage growth. There is consensus in the need for emergency funding for locals. And there is consensus on the need to incorporate guiding principals. To ensure that rural areas are spending enough on maintenance, there should be criteria to define minimum maintenance. Regarding future funding, SAFCA suggests expending the bond funds in three years not five; SAFCA needs about $511 million in funds.

Dr. Harder asked about the miles of urban and rural levees; Mr. Nomellini said he used an estimate of 350 miles of urban project levees and 40 miles of nonproject urban levees.

Mr. Hardesty said that the California Central Valley Flood Control Agency (CCVFCA) identified the need for the urban and rural flood control agencies to work together to develop solutions to the State’s flood control problems. He said CCVFCA, SAFCA and San Joaquin County interests had met to identify areas of common ground. He said that the areas of common principals could then become part of pending legislation.

Mr. Nomellini said issues discussed included cost shares between urban and rural areas and flood control standards.

Mr. Zuckerman congratulated the participants and said that once agreements have been reached the dialog could foster broader discussion and possible support for the consensus positions; Mr. Hardesty said a consensus document should be completed in about 10
days. Ms Westfall noted that the Legislature has a recess the first week of April and that language should be submitted prior to the recess.

Mr. Troppmann asked about the role of FEMA and DWR/Rec Board decertifying levees that FEMA would not decertify and issues of liability, flood insurance, etc; Dr. Harder said FEMA has different criteria that the State which creates confusion, but that FEMA sets the standards. Mr. Troppmann mentioned that a briefing by FEMA indicated that FEMA is undertaking a digital map process and asked if new standards would be linked to the digital mapping process; Dr. Harder said that Memo 34 (August 2005) says that each community must provide 100-year certification for levees. He said that FEMA issues approximate maps with best available information and follows up later with regulatory maps. Mr. Troppmann suggested that some areas are grand fathered in and some are “studied” in; Dr. Harder didn’t think the summary of the briefing was correct.

Mr. Nomellini recounted his experience with the RD 17 levee that was certified to meet 100-year flood requirements.

Mr. Hardesty said there needs to be appropriate standards for rural areas and for urban areas.

Mr. Troppmann said the issue of certification needs to be addressed, as is affects land use and local cost shares; Dr. Harder said the State has not requested remapping. Mr. Troppmann emphasized the need for a process that works so that local government, landowners and developers have clear information. He said the current situation is leading local governments into contradictory situations. Dr. Harder said there should be more clarity as to criteria and said that FEMA is preparing new maps with the same flood protection criteria but incorporating modern techniques of evaluating levee stability and reliability. He noted that both of the State propositions including funding for mapping of the State’s floodplains. Mr. Troppmann agreed that funds for boring and testing will be helpful.

Mr. Nomellini asked what would happen to areas already committed to urbanization and noted that some local governments have come to rely on building fees for their budgets.

**Issue of Governance:**

Mr. Zuckerman asked how to keep everyone working to resolve these issues. He asked the group if they wanted to address the issue of governance further and if so should other groups be invited to participate.

Mr. Nomellini said the issue of land use is very closely linked to the issue of flooding.

Mr. Shelton explained that every community has to address development in flood plain areas in order for property owners to qualify for federally protected mortgages.
Mr. Nomellini said new urban development is proceeding in areas vulnerable to flooding. He suggested the State Plan identify where floodwaters will go, and then local governments say what happens in those areas.

Mr. Cammarota said the original issue of land use in flood plain areas was discussed at great length in the last legislative session and AB 802, and said that the BIA and local government had supported the amended language. He noted that the language in AB 802 has been resubmitted this session.

Ms Aramburu agreed to research the current language, and to contact the various groups that supported AB 802 to determine if they are satisfied with the new bill.

Mr. Cammarota said certain areas are in a long term development path based on local government general plans and zoning and said that identifying those lands now as flood plain may result in a need for compensation to avoid a “taking”.

Mr. Shelton talked about past flooding incidents and the issue of State versus regional versus local issues. He noted that the Delta Vision process may identify levees to allow to remain failed. He suggested that the State help everyone move forward to lessen liabilities.

Mr. Troppmann said that we should be working toward a process to layer risk and distribute it effectively.

Mr. Zuckerman suggested that NRI staff send a letter to the overall group and ask if they are interested in further discussion of the governance issue and if yes who else should be invited to participate [add Resources Landowners Coalition to mailing list].

Mr. Cammarota said that new development behind existing levees can be part of a solution for areas that need to upgrade levees. He agreed that projects in new areas are different.

Mr. Zuckerman asked who gets to decide if new development can be built in the historic flood plain? He asked how is the State protecting citizens if the State allows local governments to allow development in historic flood plain areas behind State levees? He asked if the State is correct in thinking local government would be more responsible in reviewing development proposals?

Mr. Shelton suggested a regional approach with some State role, but final decisions should remain at the local level.

Mr. Troppmann said the State may have to assume liability for development behind the project levees. He asked if the State would be better or worse if local general plans move forward. He added that the State is in the risk pool and may need to share risk with local government.
Mr. Flinn said local governments do not want County facilities like jails and hospitals to be at risk of flooding. He said local flood control project like the SJAFCA project, decrease State liability. He asked about retroactivity regarding future development vs old development.

Mr. Nomellini said someone has to decide what we need in the flood plain; how much and where. He said ag in the flood plain is an appropriate use but needs to be restored after a flood. He suggested that compensation for development rights would be appropriate. He said projects that cause flooding of areas that wouldn’t otherwise flood are a problem.

Mr. Zuckerman said it appears a solution is needed.

Mr. Troppmann said that Senator Machado had indicated that the Legislature use financial agreements to trigger narrowing of the State’s liabilities. He suggested that future development should outline how it will address flooding. He identified pre-existing development rights could be the subject of inverse condemnation. He asked about the long-term impacts of the Paterno case.

Mr. Nomellini said liability should be designed to avoid an implied taking for public use. He said SAFCA has raised the issue of mandatory flood insurance as a way to address development beyond existing urban areas.

**Announcement:**

Mr. Marshall announced that the CCVFCA would hold its annual meeting and forum on Wednesday, March 14, 2007 from 10 until 2 at the Clarion Hotel in Sacramento.

**Next Steps:**

- CCVFCA, SAFCA and San Joaquin County interests will forward their agreed upon language for circulation to the larger Dialog Group.

- NRI will contact the entire mailing list regarding interest in discussing governance issues.